



# City of Richmond

## Report to Committee

**To:** Finance Committee  
**From:** Ivy Wong  
Acting Director, Finance

**Date:** October 30, 2020  
**File:** 03-0970-09-01/2020-  
Vol 01

**Re:** Financial Information – 3<sup>rd</sup> Quarter September 30, 2020

### Staff Recommendation

That the staff report titled, "Financial Information – 3<sup>rd</sup> Quarter September 30, 2020", dated October 30, 2020 from the Acting Director, Finance be received for information.

Ivy Wong, CPA, CMA  
Acting Director, Finance  
(604-276-4046)

Att: 5

REPORT CONCURRENCE		
<b>ROUTED TO:</b>	<b>CONCURRENCE</b>	<b>CONCURRENCE OF GENERAL MANAGER</b>
Arts, Culture & Heritage	<input checked="" type="checkbox"/>	 Acting GM, F&CS
Building Approvals	<input checked="" type="checkbox"/>	
Community Bylaws	<input checked="" type="checkbox"/>	
Community Social Development	<input checked="" type="checkbox"/>	
Development Applications	<input checked="" type="checkbox"/>	
Economic Development	<input checked="" type="checkbox"/>	
Engineering	<input checked="" type="checkbox"/>	
Facilities and Project Development	<input checked="" type="checkbox"/>	
Fire Rescue	<input checked="" type="checkbox"/>	
Information Technology	<input checked="" type="checkbox"/>	
Parks Services	<input checked="" type="checkbox"/>	
Public Works	<input checked="" type="checkbox"/>	
RCMP	<input checked="" type="checkbox"/>	
Real Estate Services	<input checked="" type="checkbox"/>	
Recreation Services	<input checked="" type="checkbox"/>	
Transportation	<input checked="" type="checkbox"/>	
Library Services	<input checked="" type="checkbox"/>	
<b>SENIOR STAFF REPORT REVIEW</b>	<b>INITIALS:</b> 	<b>APPROVED BY CAO</b> 

## Origin

Pre-audited financial information for the 3<sup>rd</sup> quarter ended on September 30, 2020 is being provided to the Finance Committee for review. The report provides details on the economic environment, financial results and other key indicator information. The financial information provides Council with an overview of the City of Richmond's (the City) financial results throughout the year and before the annual audited financial statements are presented.

The COVID-19 pandemic began to impact the City's financial results in mid-March by closure of public facilities, including libraries, community recreation centres, and cultural facilities. In May 2020, Council endorsed the Restoring Richmond Plan for the gradual reimplementation of program and services through a step-by-step approach to reopening various City services, amenities and facilities while maintaining physical distancing and public health guidelines as they continue to be updated. Due to the pandemic, the City continues to experience reductions in revenue such as gaming revenues and investment income, which will have a significant impact on future quarterly results. The length of the economic disruption and recovery is uncertain at this time as public health orders continue to be updated to address issues as they arise.

This report supports Council's Strategic Plan 2018-2022 Strategic Focus Area #5 Sound Financial Management and #8 An Engaged and Informed Community:

*5.1 Maintain a strong and robust financial position.*

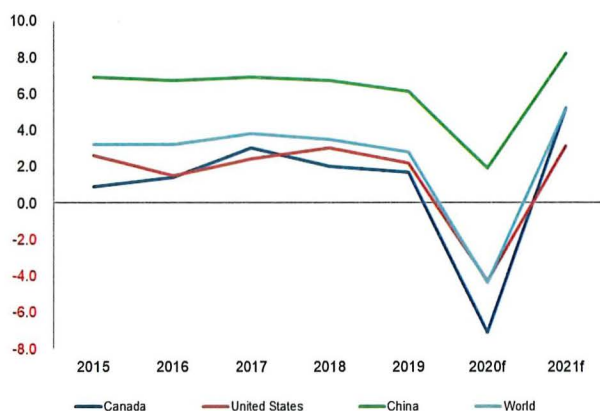
*5.2 Clear accountability through transparent budgeting practices and effective public communication.*

*8.2 Ensure citizens are well-informed with timely, accurate and easily accessible communication using a variety of methods and tools.*

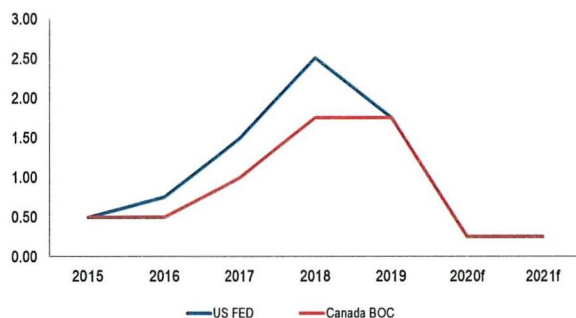
## Analysis

### Macroeconomic Indicators & Forecast

Local, national and international economies continue to be significantly impacted by the ongoing COVID-19 pandemic. While the third quarter showed signs of recovery for some indicators such as employment rates and real estate sales, significant risk and uncertainty persist around the timing and extent of medium and longer term economic recovery. These outcomes will be closely tied to the extent and duration of government aid measures, and the successful containment of the virus through the development and widespread administration of a vaccine or treatment.

1) Global Growth – Real Gross Domestic Product (GDP) % Change<sup>1</sup>

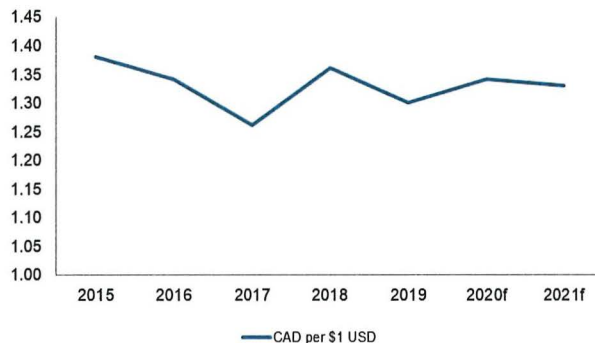
- The International Monetary Fund (IMF) projects that the global GDP will decline by 4.4% in 2020, a less severe contraction by half a percentage point than forecast in the June 2020 World Economic Outlook update.
- The revision reflects better-than-anticipated second quarter outturns in advanced economies, as activity began to improve sooner than expected after COVID-19 lockdowns were scaled back in the spring and summer.
- In Canada, the GDP is forecast to decline by 7.1% in 2020 and the U.S. GDP is forecast to decline by 4.3%.
- Global GDP growth is forecast to slowly rebound by 5.2% in 2021. Canadian and U.S. and China GDP growth forecasts are 5.2%, 3.1% and 8.2%, respectively, for 2021.

2) Interest Rates – US and Canadian Overnight Central Bank Rate % at Year-End<sup>2</sup>

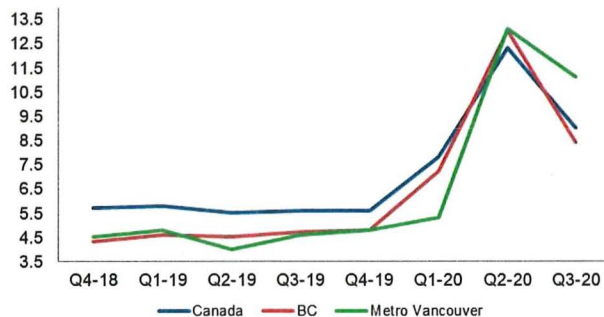
- At the end of Q1 2020, in response to the COVID-19 pandemic, the Bank of Canada (BoC) announced an emergency rate cut to 0.25% for the overnight lending rate where it has remained throughout Q3 2020.
- The BoC rate is forecasted to remain at its lower bound at the end of 2020 and throughout 2021 as gradual economic recovery occurs.
- The U.S. Federal Reserve (US FED) rate continued at 0.25% where it is expected to remain throughout 2021.

<sup>1</sup> International Monetary Fund, World Economic Outlook (October 2020)

<sup>2</sup> US Federal Reserve, Bank of Canada and Royal Bank Economic Research Forecast (September 2020)

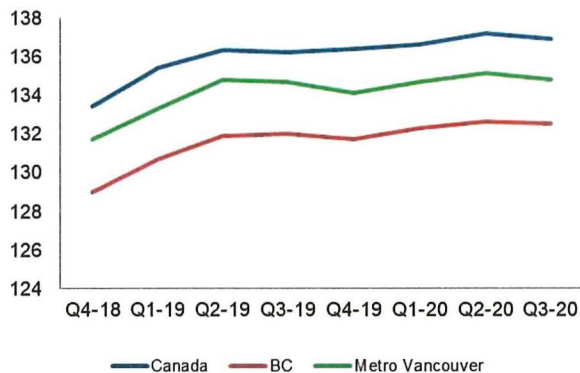
3) Exchange Rates – CAD/USD at Year-End<sup>3</sup>

- The decline in oil prices had a negative impact on the value of the Canadian currency prior to the global pandemic.
- The Canadian dollar (CAD) is expected to further depreciate against the US dollar, ending 2020 at \$1.34 CAD per \$1 USD and further dropping in 2021 to \$1.33 CAD per \$1 USD.
- The value of the CAD against the USD will be dependent on the relative economic recovery in the two countries.
- The weaker Canadian dollar may benefit non-commodity exports as the economy recovers.

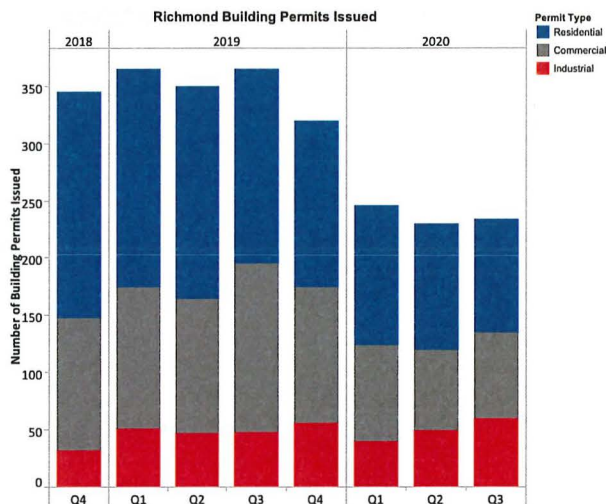
Regional & Local Economic Activity Indicators4) Unemployment<sup>4</sup>

- By August 2020, almost two-thirds of Canadian workers who had lost their jobs were back at work, albeit many at reduced hours. This is following a peak national unemployment rate of 13.7% reached in May as a result of COVID-19 related economic shutdown.
- At the end of Q3 2020, the Canada, BC and Metro Vancouver unemployment rates decreased to 9.0%, 8.4% and 11.1%, respectively.
- Many jobs continue to be impacted by the pandemic, particularly in hard hit sectors like hospitality, food service, retail, and transportation and in urban centers where these jobs are concentrated.

<sup>3</sup> Royal Bank Economic Research Forecast (September 2020)<sup>4</sup> Statistics Canada

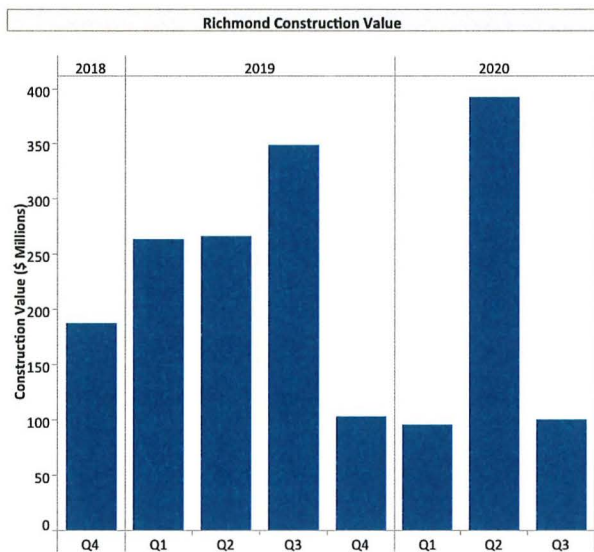
5) Consumer Price Index (CPI – 2002=100)<sup>5</sup>

- At the end of Q3 2020, the CPI increased by 0.5% in Canada, 0.4% in British Columbia and 0.1% in Metro Vancouver, compared to the same period last year.
- Increased demand for food, household cleaning supplies and personal care items were reflected in higher prices. Travel limitations and temporary business closures resulted in lower prices for other items such as gasoline and transportation, and clothing.

6) Building Permits – Richmond<sup>6</sup>

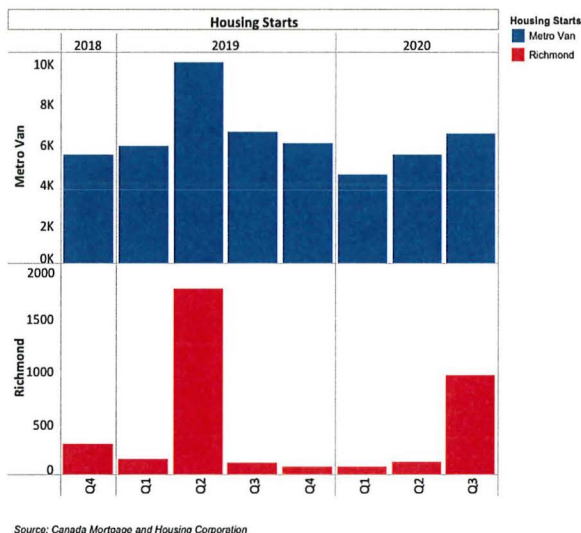
- In Q3 2020, there were 100 residential, 74 commercial, and 60 industrial building permits issued in Richmond.
- Although this represents a 36% decrease in Q3 from last year, 2019 was a near record year for building activity. The overall activity is still very high as indicated by the current high application volume being only 10% less than last year and building revenue being higher by 6% in Q3.
- This data also reflects a trend for fewer, but larger and more complex multi-family project applications that take significantly longer to process to issuance. These applications result in fluctuations during certain periods, but ultimately will reflect higher construction value and number of housing units.

<sup>5</sup> Statistics Canada<sup>6</sup> City of Richmond Building Permits



- \$101 million in construction value was registered in Q3 2020.
- The total value of construction activity throughout Richmond in the first nine months of 2020 totaled \$588 million.
- Despite being 33% less over the same period last year when \$878 million of new construction activity was registered, 2020 is on track to be a better than average year.
- Overall 2019 was the second highest year on record for construction activity in Richmond, second only to 2015 when the value of building permits represented nearly \$1 billion.

## 7) Housing Starts<sup>7</sup>



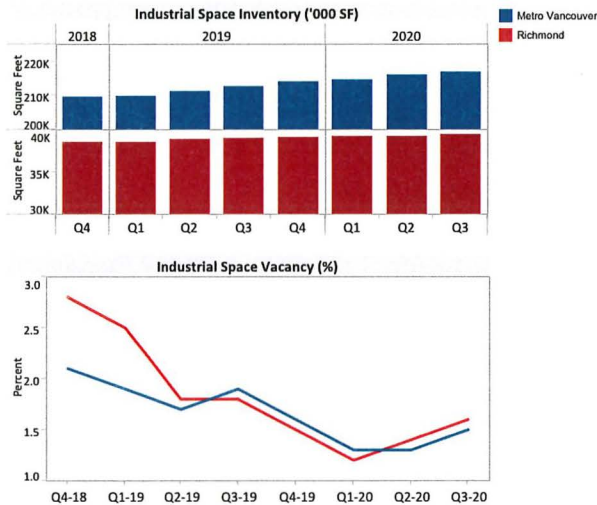
- In Q3 2020, there were 939 housing starts in Richmond and 6,415 in Metro Vancouver, as measured by the Canada Mortgage and Housing Corporation (CMHC) and based on their verification that construction work has commenced<sup>8</sup>.
- Year to date housing starts in Richmond and Metro Vancouver decreased by 44% and 27% respectively, over the same nine-month period in 2019.
- The change in CHMC's housing start data for Richmond in Q3 2020 does not directly compare to the change in residential building permits issued by the City. This is mainly due to the varying timing between issuing a residential building permit and CMHC determining a housing start.

<sup>7</sup> Canada Mortgage and Housing Corporation

<sup>8</sup> Housing Start is defined as the beginning of construction work on a building, generally when the concrete has been poured for the whole of the footing around the structure, or an equivalent stage where a basement will not be part of the structure.

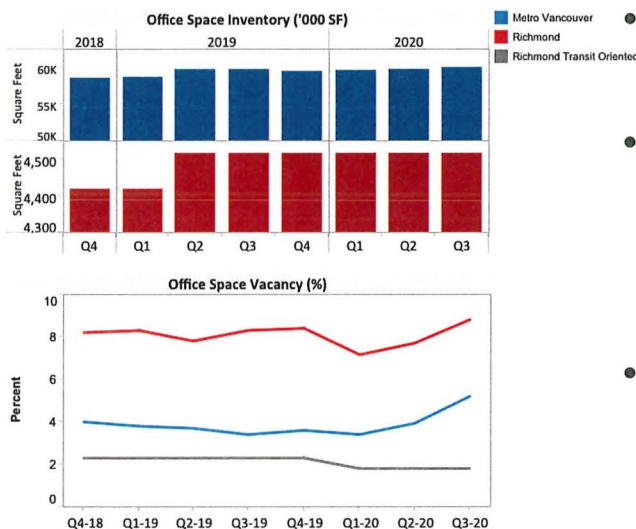
8) Commercial Space<sup>9</sup>

## a) Industrial Space



- In Q3 2020, industrial sales and leasing have not been impacted by COVID-19 market disruption to the extent that office markets have been.
- 259,000 square feet of industrial space has been added to Richmond's inventory during the first nine months of 2020.
- The industrial vacancy rate in Richmond increased slightly from 1.2% in Q1 2020 to 1.4% in Q2 2020 and 1.6% in Q3 2020.
- The region continues to face an acute shortage of industrial land and the industrial vacancy rate in Metro Vancouver was 1.5% at the end of Q3 2020.

## b) Office Space

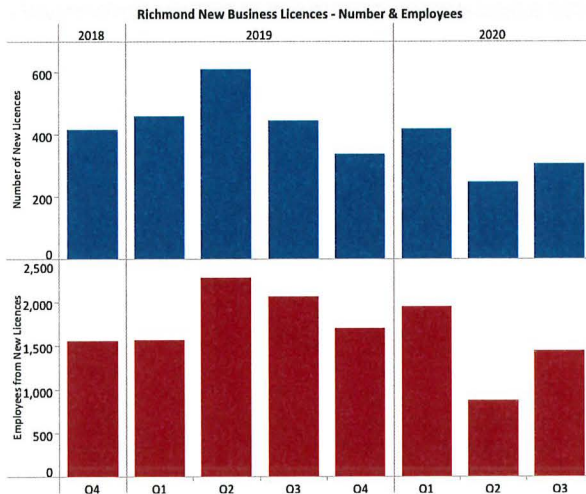


- At the end of Q3 2020, the office vacancy rate was 8.8% in Richmond and 5.2% in Metro Vancouver.
- Office vacancy rates for Q3 2020 have increased by 6.0% in Richmond and 48.6% in Metro Vancouver compared to Q3 2019 due to increase in sublease activities in the second and third quarters of 2020 which resulted in negative absorption.
- Many office based businesses have been reconsidering their real estate footprints due to COVID-19 requiring employees to work remotely where possible, and the overall acceleration of the work from home trend.
- Longer term outlooks for office space demand vary. While public health protection measures have caused many tenants to downsize, others have leased additional space to ensure proper physical distancing.

<sup>9</sup> Cushman & Wakefield Office and Industrial Market Beat Reports

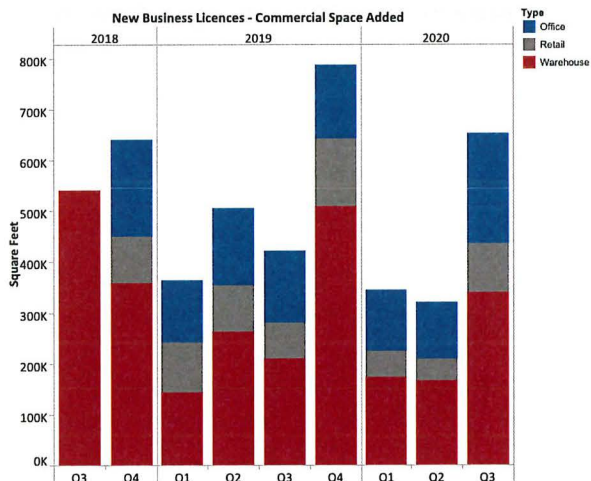
## 9) Business Growth – Richmond

## a) New Business Licences



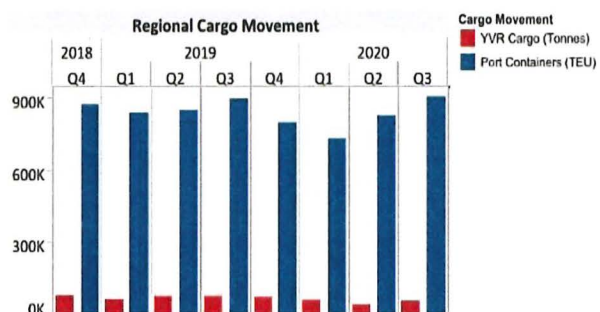
- 306 new business licences were issued by the City of Richmond in the third quarter of 2020, a decrease of 31% compared to the same period last year.
- 1,437 jobs were attributed to these new business licences.
- The number of total valid business licences has dropped from 13,670 in Q2 2020 to 13,586 in Q3 2020, as some businesses chose not to renew their licences.
- Year over year, the total number of valid business licences declined by 8.2% over the same period in 2019.

## b) New Business Licences – Commercial Space

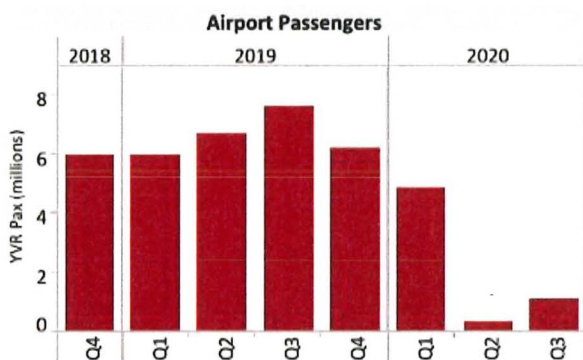


- 1.3 million square feet of commercial space absorption was tied to the new business licences issued throughout the first three quarters of 2020.
- The absorption of 653,000 square feet of commercial space was attributed to new business licences issued from July to September 2020.
- Industrial space represented the largest share of absorption, at 340,000 square feet, followed by office (217,000 square feet), and retail (96,000 square feet).

## 10) Goods and People Movement

a) Regional Cargo Movement<sup>10</sup>

- The Port of Vancouver experienced an increase in cargo volumes of 0.6% in Q3 2020 over the same period in 2019, as measured by Twenty Foot Equivalents (TEUs). Port cargo volumes in the first nine months of 2020 decreased by 4.8% compared to the same period in 2019.
- At the Vancouver International Airport (YVR), 165,487 tonnes of air cargo was handled throughout the first nine months of 2020, a decrease of 27% over the same period last year.
- In July and August 2020, YVR recorded a decline of 27% in air cargo volumes over the same period in 2019.

b) Airport Passengers<sup>11</sup>

- After a record year of passenger volumes at YVR in 2019, this year took a turn as the global pandemic severely impacted air travel. Air travel continues to be constrained by widespread restrictions on travel.
- During the normally peak summer travel season, July through September of 2020 experienced a decline in air passenger volumes of 86% over the same three month period in 2019.
- Passenger volumes in the first nine months of 2020 were 6.4 million, down by 69% over the same period last year.

<sup>10</sup> Port of Vancouver Monthly Cargo Statistics<sup>11</sup> YVR Monthly Statistics

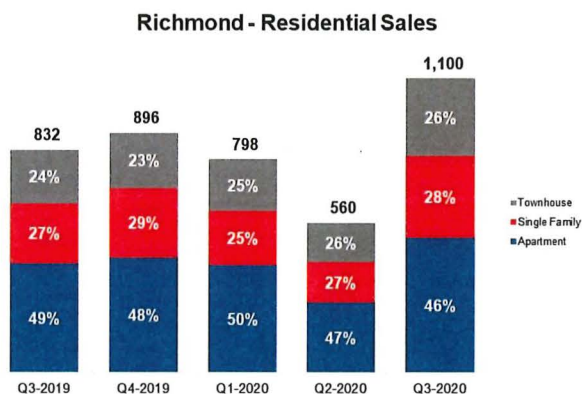
c) Richmond Hotel Room Revenue<sup>12</sup>

\*Hotel Room Revenue is unavailable for 2020 due to the Provincial deferral of MRDT collection.

- The accommodation sector is another that has been particularly hard hit by COVID-19 as necessary restrictions on travel have been imposed.
- As the Province has allowed the deferral of Municipal & Regional District Tax (MRDT) payments for hotel tax, monthly hotel room revenue cannot be calculated at this time.
- Destination BC estimates that the hotel occupancy rate in Richmond was 42% in September 2020, a decrease in 54 percentage points over the same period last year.

Residential Real Estate<sup>13</sup>

While COVID-19 directly impacted the residential sales in real estate market in the second quarter of 2020, Q3 2020 brought fresh demand in all asset classes and most notably, single family detached homes. All residential sales markets are balanced at this time. Limited job losses among high-income Canadians, generous government support programs and record low mortgage rates have supported the demand for housing.



- Single family detached (SFD) home sales increased by 36% compared to Q3 2019. Home sales in the first nine months of 2020 showed an increase of 18% over the same period last year.
- Apartment and townhouse sales have increased by 24% and 45%, respectively, compared to Q3 2019. The year-to-date apartment and townhouse sales increased by 17% and 43%, respectively, over the same period last year.
- Apartment sales comprise 46% of the residential home sales in Richmond. SFD and townhouse sales account for 28% and 26%, respectively, of home sales in Richmond.

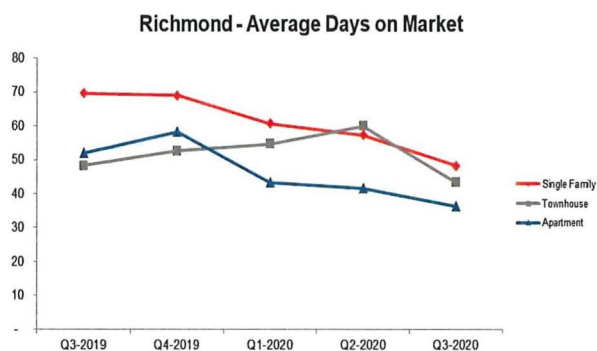
<sup>12</sup> City of Richmond Additional Hotel Room Tax Ledger; Destination BC

<sup>13</sup> Real Estate Board of Greater Vancouver

- There were 2,458 residential home sales in Richmond by the end of Q3 2020, a 23% increase compared to the same period last year.

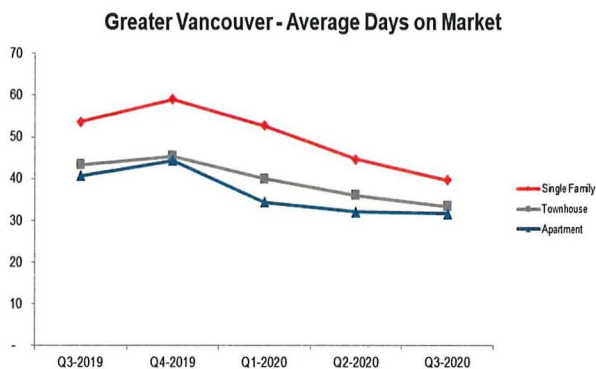


- Richmond residential properties had a sales-to-active listings ratio of 24% as at September 30, 2020 representing a healthy market. SFD demand increased sharply during this quarter and the market is normalizing for both townhouses and apartments.

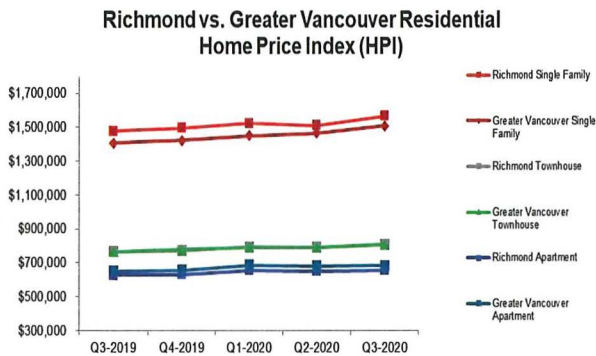


- At Q3 2020, SFD properties in Richmond had an average of 48 days on the market, a 31% decrease compared to Q3 2019.

Townhouses and apartments had an average of 43 and 36 days on the market, respectively, representing a 10% and a 31% decrease over the same period last year.



- At Q3 2020, SFD properties in GVRD had an average of 40 days on the market, which was decreased by 26% compared to Q3 2019.
- Townhouses and apartments had an average of 33 and 32 days on the market, respectively, which represents a decrease of 23% and 22%, respectively, over the same period in 2019.



- The Home Price Index (HPI)<sup>14</sup> for SFD properties in Richmond at Q3 2020 was \$1,564,600, a 6.0% increase compared to Q3 2019. The GVRD housing market has also increased with SFD properties priced at \$1,507,500, which was a 7.3% increase compared to the same quarter last year.
- At Q3 2020, the HPI for townhouse properties in Richmond was \$805,400, an increase of 5.0% compared to Q3 2019. The HPI for townhome properties in GVRD was \$809,900, which represented a 5.5% increase compared to the same time last year.
- The HPI for apartments in Richmond was \$654,900, an increase of 4.5% compared to Q3 2019. GVRD's apartment prices increased to \$683,500, which was a 4.9% increase from Q3 2019.

### Gaming Revenue

In accordance with the Host Financial Assistance Agreement with the Province of BC, the Province pays 10% of net gaming income to the City. Net gaming revenue is calculated as net win from casino games less (i) fees payable by BC Lottery Corporation (BCLC) to the service provider and (ii) BCLC's administrative and operating costs. Distributions are subject to volatility due to fluctuations in net win from casino games, operating costs and accounting adjustments.



- Due to closures of casinos, no gaming revenue was allocated to the City in Q3 2020.
- Gaming revenue for Q3 2020 decreased by 100.0% to \$nil compared to \$3.8M in Q3 2019.
- At the end of Q3 2020, the City received 18.7% of the 2020 annual budgeted of \$14.5M for gaming revenue.

On March 16, 2020, the Attorney General ordered the temporary closure of all gambling facilities in British Columbia in consultation with and on the advice of the Provincial Health Officer. This action was taken in order to protect British Columbians and ensure the province

<sup>14</sup> Home Price Index is a tool to measure home prices trends in Metro Vancouver and other major markets in the country. It is an alternative measure of real estate prices that provides the market trends over traditional tools such as mean or median average prices.

was in the best position to effectively respond to the COVID-19 pandemic. The closure of gambling facilities has directly impacted casino revenue since March 2020. Gaming revenue for Q3 2020 was \$nil.

On September 18, 2020, the Attorney General emphasized that casinos are down the list for re-opening and no pressure will be put on public health authorities to rush the approval of casino re-opening plans. British Columbia Lottery Corporation have submitted safety re-opening plan to the Provincial Health Officer, Ministry of Health and WorkSafeBC. The new plan includes appropriate distancing, cleaning and plexiglass installations. Ministry of Health has reviewed the plan and conversations on how to re-open casinos safely are ongoing. As of October 30, 2020, River Rock Casino continues to suspend its operations. It is not known when operations may resume.

Prior to the pandemic, Council adopted the Consolidated 5 Year Financial Plan (2020-2024) on January 27, 2020, which included the budgeted gaming revenue allocation for 2020. The distribution of these funds is detailed in Table 1 with any surplus revenue transferred to the Capital Building and Infrastructure Reserve. The distribution is consistent with the 2019 budgeted gaming revenue allocation. No changes were proposed for the 2020 gaming revenue allocation in the Revised Consolidated 5 Year Financial Plan (2020-2024) adopted on May 11, 2020.

Table 1: *Distribution of the 2020 gaming revenue allocation*

	Distribution	2020 Budget
Debt Servicing	Fixed	\$5.0M
Grants	15%	2.2M
RCMP – General Duty Officers	Four Officers	0.7M
Capital Reserves	30%	4.3M
Council Community Initiatives Account	2%	0.3M
Capital Building and Infrastructure Reserve	Remainder	2.0M
<b>Total</b>		<b>\$14.5M</b>

The City will continue to monitor the impact of COVID-19 and the allocation of gaming revenue accordingly.

There is a proposed acquisition of Great Canadian Gaming Corporation by an affiliate managed Apollo Global Management, Inc. with a Special Meeting of Shareholders and Optionholders to be held on December 23, 2020 to approve the transaction.

Operating Activity

Table 2 compares budget to unaudited actual activity up to September 30, 2020. The net figure represents combined revenue and expense amounts. Actuals includes estimates for revenues earned and expenses incurred to date where invoices may not yet be issued or received.

The impact of COVID-19 is included within the third quarter results, most notably through a reduction in gaming revenue, facility revenue, parking revenue, grant revenue and investment income, as well as increased cleaning and other costs incurred to prevent the spread of the coronavirus. Wherever possible, these impacts have been mitigated by senior management through reduced expenditures such as implementing a tactical hiring freeze, staff redeployments, reduced seasonal staff, cancellation of special events and projects, and general operating costs reductions.

Table 2: Net Operational Activity for the period January 1, 2020 to September 30, 2020 (in \$000's)

Net Operational activity <sup>1,7</sup>	For the period January 1 – September 30, 2020			Projected 2020 results		
	Q3 YTD Net Revised Budget <sup>3,6</sup>	Q3 YTD Actuals and PO <sup>4</sup>	Q3 YTD Variance (\$)	Projected Surplus (Deficit) before Appropriation <sup>3</sup>	Estimated Appropriation	Projected Surplus (Deficit) after Appropriation
Community Safety <sup>5</sup>	(\$15)	\$147	(\$162)	(\$320)	-	(\$320)
Community Services	32,248	28,745	3,503	5,784	-	5,784
Corporate Administration	10,054	9,116	938	1,402	-	1,402
Engineering and Public Works	30,891	28,548	2,343	3,649	2,635	1,014
Finance and Corporate Services	16,331	14,851	1,480	2,483	600	1,883
Fire Rescue	30,797	29,520	1,277	1,612	-	1,612
Library	7,673	6,582	1,091	1,183	1,183	-
Planning and Development	5,429	3,517	1,912	2,259	-	2,259
Policing	42,942	42,535	407	1,491	743	748
Fiscal	(172,905)	(165,278)	(7,627)	(9,327)	5,000	(14,327)
<b>Total Operating</b>	<b>\$3,445</b>	<b>(\$1,717)</b>	<b>\$5,162</b>	<b>\$10,216</b>	<b>\$10,161</b>	<b>\$55</b>
Water Utility	1,075	(498)	1,573	1,536	1,536	-
Sanitary Utility	6	(1,775)	1,781	392	392	-
Sanitation and Recycling Utility	201	(1,069)	1,270	1,095	1,095	-
<b>Total Utilities</b>	<b>\$1,282</b>	<b>(\$3,342)</b>	<b>\$4,624</b>	<b>\$3,023</b>	<b>\$3,023</b>	<b>\$-</b>

<sup>1</sup>Net Operational Activity does not include amounts related to capital such as: contributed assets, developer contributions, amortization, etc. It does not represent Generally Accepted Accounting Principles, but is presented on a modified cash basis.

<sup>2</sup>Based on organizational structure in place as of September 30, 2020.

<sup>3</sup>The Net Revised Budget is based on the revised operating budget approved by Council on May 11, 2020 and reallocations presented in item 5 of the Amendments to the Revised Consolidated 5 Year Financial Plan (2020 to 2024) Bylaw No. 10183 as approved by Council on October 13, 2020.

<sup>4</sup>Includes budgeted equity transactions such as transfer to reserves, transfer to provision etc.

<sup>5</sup>Includes Community Safety Administration, Business Licences, Community Bylaws and Emergency Programs.

<sup>6</sup>Transfers to reserves are prorated evenly throughout the year.

<sup>7</sup>Presentation and assumptions may differ from previous reports.

The following section provides an explanation on a Divisional/Departmental basis of year to date variances in relation to the 2020 Revised Financial Plan:

- Community Safety's (excluding fire and policing) unfavourable variance is due to lower year to date parking and permits revenue due to COVID-19 pandemic impacts, offset by timing required to fill vacant positions.
- Community Services' favourable variance is due to vacant positions, reduction in park seasonal staff hours and auxiliary staff hours during facility closures, as well as lower operating expenses as a result of facility closures and reduced access, offset by lower revenue also as a result of facility closures.
- Corporate Administration's favourable variance is mainly due to vacant positions.
- Engineering and Public Works' favourable net operating variance is mainly due to timing of Public Work maintenance and higher than budgeted underpinning revenue and permit fees. Estimated appropriations at year end include the following: \$981K for service fees related to Lulu Island Energy Company in accordance with the asset transfer agreement, \$861K for Thompson Community Centre and Hall minor capital and the Fleet surplus estimated to be \$793K will be transferred to the Equipment Reserve in accordance with Policy 2020.
- Finance and Corporate Services' favourable variance is mainly due to vacant positions within Corporate Business Services Solutions, Information Technology and Finance. An appropriation of \$600K will be made in order to fund previously approved corporate IT projects.
- Fire Rescue's favourable variance is mainly due to timing required to hire the additional 12 firefighter positions, which were filled in early March 2020; other vacant positions resulted from retirements and an increase in external recovery revenues, offset by higher operating expenses due to additional supplies required in response to the COVID-19 pandemic.
- The Library's favourable variance is due to vacant positions and reduced operating costs, offset by reduced revenue from library closures. The projected surplus will be appropriated for future use within library operations.
- Planning and Development's favourable variance is primarily due to vacant positions and higher than budgeted building permit revenue related to multi residential buildings.
- Policing is projected to have a favourable variance primarily driven by RCMP contract savings and municipal vacant positions offset by gaming revenues not materializing due to COVID-19 closure of Casinos and contractual obligations. An estimated appropriation of \$743K has been included due to the continued uncertainty related to the COVID-19

pandemic; should the closure of the River Rock casino extend into 2021, this will provide one-time funding for the four Police Officers which is funded by gaming revenue.

- Fiscal's unfavourable variance is mainly due to lower gaming revenue due to the closure of River Rock casino which is utilized to fund external debt, community grants and transfer to reserves. The unfavourable variance is also attributable to lower investment income, increased negotiated benefits with bargaining units and unexpected increase of benefit expenses due to the pandemic. An estimated appropriation of \$5.0M has been included due to the continued uncertainty related to the COVID-19 pandemic; should the closure of River Rock casino extend into 2021, this will provide one-time funding for the annual debt payment which is funded by gaming revenue.
- Water Utility's favourable variance is mainly due to unbudgeted construction revenue and timing of maintenance work behind target due to COVID-19. Any surplus at year end will be transferred to the Water Levy Stabilization Provision.
- Sanitary Sewer Utility's favourable variance is mainly due to unbudgeted construction revenue and timing of maintenance work behind target due to COVID-19. Any surplus at year end will be transferred to the Sewer Stabilization Provision.
- Sanitation and Recycling Utility's favourable variance is mainly due to higher than budgeted utility fees and revenue from Recycle BC. Any surplus at year end will be transferred to the General Solid Waste and Recycling Provision.

The presentation of the figures for the Financial Statement, Statement of Operations is different from the Net Budget presentation above. The above presentation combines revenues and expenses and presents the net amount inclusive of transfers. The Statement of Operations presents the revenues and expenses separately and prior to any appropriations and transfer to reserves. The Statement of Operations for the Nine Month Period Ended September 30, 2020, with comparative figures for 2019 is included in Attachment 3.

#### Financial impacts during the COVID-19 response stage:

The City's Operating Budget has been impacted in a number of revenue and expenditure categories. The decrease in revenues experienced for the period from the declaration of the Provincial state of emergency on March 18, 2020 to the current date as a result of physical distancing restrictions, city facility closures, business closures and travel restrictions have been used as a guide in formulating the assumptions used to determine the monthly financial impacts.

The assumptions in Table 3 indicate the updated expectation of revenue impacts relating to the COVID-19 pandemic based on year-to-date experience.

**Table 3: COVID-19 Revenue Impact by object**

	Percentage of revenue decline during COVID-19 pandemic	
Building and Other Permits	0%	No change
Business Licences	0%	No change
Development fees	25%	No change
Gaming	100%	Decrease
Investment Income	15%	Decrease
Parking	50%	Decrease
Receivable Income	0%	No change
Recreation Fees*	75-100%	Decrease
Rental and Lease	25%	Decrease
Other Revenues	25%	Decrease

\*Recreation fees are impacted by the status of facility closures and are expected to fluctuate as Steps of the Restoring Richmond plan are implemented in response to Ministry directives.

It is anticipated that these figures will need to be continually adjusted throughout the impacted period as the situation evolves and new information becomes available. The situation remains dynamic, where external factors such as changes to legislation from senior levels of government, timing of reopening of the closed facilities, rehiring of staff, economic conditions and other variables may influence the financial results.

Certain expenditures have decreased as a result of facility closures and service changes, including staffing cost decreases from reduction of auxiliary staffing, deferred replacement of vacancies, facility and other costs. There are anticipated reductions to the transfer to reserves that relate to corresponding reductions in the non-tax and non-utility revenues. While some of the direct costs to fight the COVID-19 Pandemic are recoverable from the Province through Emergency Management British Columbia, the degree that the City will be reimbursed is yet to be determined.

While the immediate impacts to the City's revenues due to the changes to operations resulting from the pandemic are substantial, the timing and shape of the recovery are also important factors in the assessment of the overall financial impact.

The revenue shortfall was mitigated by a number of actions including releasing Auxiliary staff or limiting recall for duty, not filling vacancies and not hiring seasonal workers, reducing equivalent transfers to reserves for sources that are directly impacted and other expense reductions relating to facility closures. As the City's closed facilities are gradually reopened, there will be additional costs that may increase the budget.

The Province announced that Richmond is the recipient of a \$9.3m grant under the COVID-19 Safe Restart Grant for Local Governments.

The long-term impact of COVID-19 at this point is not known but could result in adjustments to the programs and services offered by the City for any new future requirements and/or change in

demand, economic development impact to industries currently residing in Richmond and associated revenue impacts.

### Cash and Investment Portfolio

As of September 30, 2020, the City's total cash and investment balance totalled \$1.36 billion with a weighted average annualized yield of 1.92%. The overall cash and investment balance is comprised of \$639.1 million in investments and \$717.1 million in interest bearing cash account (Attachment 4). The City continues to hold a significant proportion of its cash and investment balance in short-term and cashable products for liquidity and yield enhancement purposes.

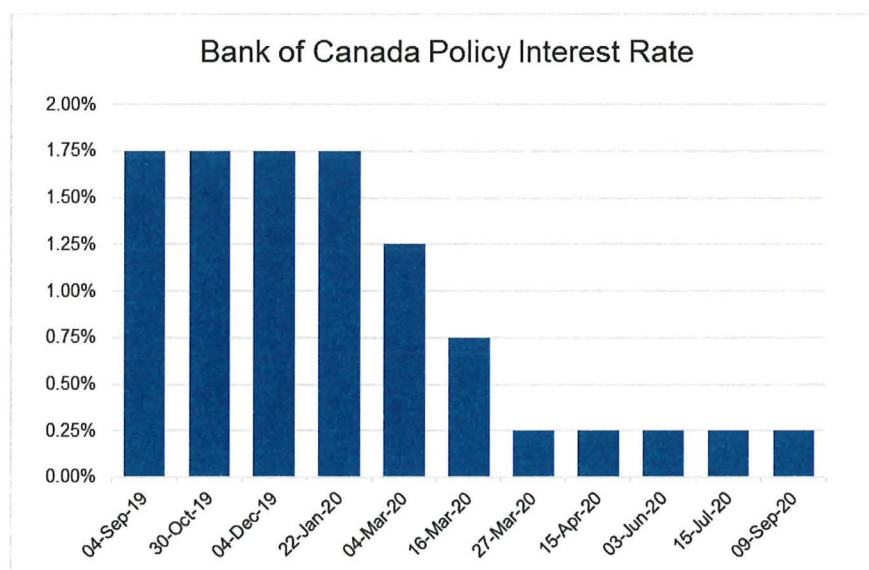
The cash and investment balance mainly relates to liabilities (including DCCs, deposits and deferred revenue) and restricted funding (including reserves and appropriated surplus) which represents approximately 95% of the overall balance.

Table 4: *Market Interest Rates (for analytical purposes only)*

	September 30, 2020 (current quarter)	June 30, 2020 (previous quarter)
2 Year Government of Canada Bonds	0.25%	0.30%
5 Year Government of Canada Bonds	0.36%	0.38%
10 Year Government of Canada Bonds	0.57%	0.54%

Source: Bank of Canada

As shown in the graph below, following three 0.50% interest rate cuts by a total of 1.50% during the first quarter of 2020 in response to the economic impact of Covid-19, the Bank of Canada kept the policy interest rate unchanged at 0.25% in the second quarter and the third quarter of 2020.



At the latest September 9, 2020 interest rate announcement, the Bank of Canada indicated that as the economy moves from reopening to recuperation, it will continue its monetary policy support

by holding the policy interest rate at this historical low level until economic slack is absorbed so that the 2% inflation target is sustainably achieved. To reinforce this commitment and keep interest rates low across the yield curve, the Bank of Canada is continuing its large-scale asset purchase program, with the goal of providing liquidity to support the financial system, returning employment and inflation back to its mandate objectives. Therefore, the interest rate environment is likely to remain low for the foreseeable future.

Below is the interest rate outlook published by TD Economics in October 2020.

Interest Rate Outlook													
	Spot Rate Oct-16	2020				2021				2022			
		Q1	Q2	Q3	Q4F	Q1F	Q2F	Q3F	Q4F	Q1F	Q2F	Q3F	Q4F
CANADA													
Overnight Target Rate	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
3-mth T-Bill Rate	0.09	0.21	0.20	0.12	0.10	0.15	0.15	0.20	0.20	0.20	0.20	0.20	0.20
2-yr Govt. Bond Yield	0.23	0.42	0.28	0.25	0.30	0.30	0.30	0.30	0.30	0.30	0.35	0.40	0.50
5-yr Govt. Bond Yield	0.35	0.60	0.36	0.36	0.40	0.50	0.60	0.75	0.85	1.00	1.05	1.15	1.25
10-yr Govt. Bond Yield	0.57	0.71	0.52	0.57	0.70	0.85	1.00	1.15	1.30	1.40	1.55	1.65	1.70
30-yr Govt. Bond Yield	1.16	1.30	0.99	1.11	1.25	1.40	1.50	1.60	1.70	1.80	1.90	2.00	2.10
10-yr-2-yr Govt Spread	0.34	0.29	0.24	0.32	0.40	0.55	0.70	0.85	1.00	1.10	1.20	1.25	1.20

It is anticipated that this historical low interest rate level will persist and thus will significantly reduce the City's investment income. As safety protocols for COVID-19 continues, the fallout and impact of this pandemic to local and global economies will continue to unfold, which will also be reflected in the City's investment performance for the months or years to come.

Since the start of the pandemic, the City has responded accordingly by reviewing its investment holdings and strategically repositioning its cash and investments to ensure that, amongst its investment policy objectives, capital preservation and liquidity continue to be the most critical considerations for all municipal investment decisions. Staff continue to rebalance the City's investment portfolio this quarter in adjusting the asset holdings of the City's investment portfolio.

As of September 30, 2020, the City's investment portfolio held 50.5% (Q2 2020: 54.6%) of investments in Canadian banks, which was over the permitted limit of 50% under the City's Investment Policy 3703. Staff is continuing to complete the repositioning of the City's investment portfolio to achieve policy compliance by the end of the year.

The City's overall credit risk exposure remains low because the City continues to maintain a diversified portfolio of strong credit quality investments. The City's primary investment objectives of capital preservation, liquidity, risk diversification and yield enhancement will continue to be the guiding principles as staff reposition the City's investment portfolio.

### Contract Awards

In accordance with Policy 3104, this report provides information on new contract awards and aggregate contract extensions greater than \$75,000. During the third quarter, 29 contracts greater than \$75,000 were awarded totalling over \$23.2 million (Attachment 5).

## **Financial Impact**

None.

## **Conclusion**

At the end of the third quarter, the City continued with the Restoring Richmond Plan while maintaining public health protection protocols to minimize the spread of COVID-19. Staff are closely monitoring the situation and making adjustments where applicable to mitigate the impacts.



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- Att. 1: Economic Indicators
- Att. 2: Financial and Key Indicators
- Att. 3: Unaudited Statement of Operations
- Att. 4: Cash and Investment Portfolio
- Att. 5: Contract Awards greater than \$75,000

**Economic Indicators****September 30, 2020****Macroeconomic Indicators & Forecast**

1) Real GDP (% at YE)	2018	2019	Change	2020f	2021f
Canada	2.0*	1.7*	(15.0%)	(7.1)	5.2
United States	3.0*	2.2*	(26.7%)	(4.3)	3.1
China	6.7*	6.1	(9.0%)	1.9	8.2
World	3.5*	2.8*	(20.0%)	(4.4)	5.2
2) Interest Rates (at YE)	2018	2019	Change	2020f	2021f
Bank of Canada	1.75	1.75	0.0%	0.25	0.25
US FED	2.50	1.75	(30.0%)	0.25	0.25
3) Exchange Rate (at YE)	2018	2019	Change	2020f	2021f
CAD per \$1 USD	1.36	1.30	(4.4%)	1.34	1.33

**Regional and Local Market Indicators**

4)	Unemployment (%at QE)	Q3-2020	Q2-2020	Change	Q3-2019	Change	
	Canada	9.0	12.3	(26.8%)	5.6	60.7%	
	BC	8.4	13.0	(35.4%)	4.7	78.7%	
	Metro Vancouver	11.1	13.1	(15.3%)	4.6	141.3%	
5)	CPI (2002=100) (at QE)	Q3-2020	Q2-2020	Change	Q3-2019	Change	
	Canada	136.9	137.2	(0.2%)	136.2	0.5%	
	BC	132.5	132.6	(0.1%)	132.0	0.4%	
	Metro Vancouver	134.8	135.1	(0.2%)	134.7	0.1%	
6)	Richmond Building Permits	Q3-2020	Q3-2019	Change	YTD-2020	YTD-2019	Change
	Residential – New Construction^	40	42	(4.8%)	135	164	(17.7%)
	Residential – Alterations	60	128	(53.1%)	199	383	(48.0%)
	Residential Total	100	170	(41.2%)	334	547	(38.9%)
	^ Number of units from new residential construction	207	797	(74.0%)	1,116	2,255	(50.5%)
	Residential	100	170	(41.2%)	334	547	(38.9%)
	Commercial	74	147	(49.7%)	227	387	(41.3%)
	Industrial	60	48	25.0%	149	146	2.1%
	Building Permits Total	234	365	(35.9%)	710	1,080	(34.3%)
	Construction Value (\$ million)	100.5	348.5	(71.2%)	587.8	877.9	(33.0%)
7)	Housing Starts (Units)	Q3-2020	Q3-2019	Change	YTD-2020	YTD-2019	Change
	Starts - Metro Vancouver	6,415	6,506	(1.4%)	16,179	22,229	(27.2%)
	Starts - Richmond	939	110	753.5%	1,125	2,012	(44.1%)
8)	Richmond Residential Sales Activity	Q3-2020	Q3-2019	Change	YTD-2020	YTD-2019	Change
	Sales - Detached	305	224	36.2%	658	557	18.1%
	Sales - Tow nhouse	290	200	45.0%	632	443	42.7%
	Sales - Apartment	505	408	23.8%	1,168	997	17.2%
	Sales - Total	1,100	832	32.2%	2,458	1,997	23.1%

**Economic Indicators****September 30, 2020****Regional and Local Market Indicators (continued)****9) Richmond Sales to Active Listings Ratio (% at QE)**

	Q3-2020	Q3-2019	Change
Single Family Detached	17.8	8.5	109.4%
Townhouse	31.1	18.2*	70.9%
Apartment	26.9	16.5	63.0%
Total	24.3	13.6*	78.7%

**10) Average Days on Market**

Property Type	Richmond			Metro Vancouver		
	Q3-2020	Q3-2019	Change	Q3-2020	Q3-2019	Change
Single Family Detached	48	70	(31.4%)	40	54	(25.9%)
Townhouse	43	48	(10.4%)	33	43	(23.3%)
Apartment	36	52	(30.8%)	32	41	(22.0%)

**11) Home Price Index (\$000 at QE)**

Property Type	Richmond			Metro Vancouver		
	Q3-2020	Q3-2019	Change	Q3-2020	Q3-2019	Change
Single Family Detached	1,565	1,477	6.0%	1,508	1,406	7.3%
Townhouse	805	767	5.0%	810	768	5.5%
Apartment	655	627	4.5%	684	652	4.9%

**12) Commercial Space (at QE)**

	Richmond			Metro Vancouver		
	Q3-2020	Q3-2019	Change	Q3-2020	Q3-2019	Change
Office Vacancy (%)	8.8	8.3	6.0%	5.2	3.5	48.6%
Transit Oriented Office Vacancy (%)	5.1	2.3	121.7%	5.4	13.6	(60.3%)
Office Inventory (000 sf)	4,517	4,517	0.0%	59,956	59,678	0.5%
Industrial Vacancy (%)	1.6	1.8	(11.1%)	1.5	1.9	(21.1%)
Industrial Inventory (000 sf)	39,389	38,950	1.1%	216,871	212,719	2.0%

**13) Richmond Business Growth**

	Q3-2020	Q3-2019	Change	YTD-2020	YTD-2019	Change
Total Valid Business Licences (at QE)	n/a	n/a	n/a	13,586	14,802	(8.2%)
New Licences - Number Issued	306	443	(30.9%)	969	1,513	(36.0%)
New Licences - Employees	1,437	2,060	(30.2%)	4,257	5,906	(27.9%)
New Licences - Office Added (sf)	217,458	142,363	52.7%	449,171	416,074	8.0%
New Licences - Retail Added (sf)	96,068	69,353	38.5%	189,754	259,035	(26.7%)
New Licences - Industrial Added (sf)	339,588	210,612	61.2%	678,943	615,913	10.2%
Total Space Added (sf)/Avg. Change	653,114	422,328	54.6%	1,317,868	1,291,022	2.1%

**Economic Indicators****September 30, 2020****Regional and Local Market Indicators (continued)**

14) Goods & People Movement	Q3-2020	Q3-2019	Change	YTD-2020	YTD-2019	Change
YVR Air Cargo (tonnes)**	58,937	80,486	(26.8%)	165,487	227,616	(27.3%)
PMV Container Movement (TEUs)	906,158	900,774	0.6%	2,470,635*	2,596,149	(4.8%)
YVR Passengers (million)**	1.1	7.6	(85.5%)	6.4	20.3	(68.7%)
Richmond Hotel Revenue (\$ million)***	n/a	75.3	n/a	n/a	188.8	n/a

**Notes:**

- a) QE indicates quarter end; YE indicates year end  
b) f - forecast to year-end  
c) \* - Figures have been updated to reflect changes in source data.  
d) \*\* - YVR September 2020 figures are unavailable. YVR September 2019 figures have been excluded for comparability.  
e) \*\*\* - Hotel Room Revenue is unavailable for 2020 due to the Provincial deferral of MRTD collection, which cannot be used to calculate hotel room revenue.

**List of Sources:**

- 1) International Monetary Fund, World Economic Outlook (October 2020)  
2) & 3) US Federal Reserve, Bank of Canada and Royal Bank Economic Research Forecast (September 2020)  
4) & 5) Statistics Canada  
6) City of Richmond Building Permits  
7) Canada Mortgage and Housing Corporation  
8), 9) & 10) Real Estate Board of Greater Vancouver  
11) Cushman & Wakefield Office and Industrial Market Beat Reports  
12) City of Richmond Business Licences  
Port of Vancouver Monthly Cargo Statistics  
13) YVR monthly statistics  
City of Richmond Additional Hotel Room Tax Ledger, Destination BC

**Financial and Key Indicators****September 30, 2020**

(All dollar amounts in \$000's)

1) Development Cost Charges Contributions	Q3-2020	Q3-2019	Change	YTD-2020	YTD-2019	Change
Roads, Water, Sewer DCC's Received	\$7,067	\$4,362	62.0%	\$20,429	\$21,710	(5.9%)
Parks DCC's Received	\$3,343	\$1,184	182.3%	\$10,944	\$11,181	(2.1%)
Total DCC Fees Received	\$10,410	\$5,546	87.7%	\$31,373	\$32,891	(4.6%)
DCC Reserves – Uncommitted balance at QE	\$148,197	\$122,264	21.2%	n/a	n/a	n/a
2) Uncommitted Reserves (at QE)	Q3-2020	Q3-2019	Change			
Capital Funding Reserves	\$166,499	\$153,089	8.8%			
Utility Reserves	\$93,774	\$104,117	(9.9%)			
Affordable Housing Reserves	\$5,115	\$3,726	37.3%			
Other Reserves	\$64,045	\$87,013	(26.4%)			
Total Uncommitted Reserves	\$329,433	\$347,945	(5.3%)			
3) Taxes to date	Q3-2020	Q3-2019	Change	YTD-2020	YTD-2019	Change
Taxes Collected	\$200,767	\$172,718	16.2%	\$394,941	\$459,923	(14.1%)
City Portion of Taxes Collected	\$98,376	\$84,632	16.2%	\$193,521	\$225,363	(14.1%)
Unpaid Taxes - Delinquent & Arrears (at QE)	\$2,520	\$3,133	(19.6%)	n/a	n/a	n/a
No. of Participants on Pre-authorized withdrawal (at QE)	6,488	6,521	(0.5%)	n/a	n/a	n/a
Pre-authorized withdrawals payments	\$5,549	\$6,636	(16.4%)	\$22,294	\$21,462	3.9%
Interest rate % paid	0.45%	1.95%	(76.9%)	0.45%	1.95%	(76.9%)
Sources: All data is from City of Richmond records						
4) Cash and Investments	Q3-2020	Q3-2019	Change			
Investments	\$639,096	\$828,650	(22.9%)			
Cash (includes high interest savings accounts)	\$717,110	\$438,343	63.6%			
Total Cash and Investments	\$1,356,206	\$1,266,993	7.0%			
Average City Rate of Return on Investments %	1.92%	2.43%	(21.0%)			

**Financial and Key Indicators****September 30, 2020**

(All dollar amounts in \$000's)

**Financial and Key Indicators (continued)**

<b>5) Planning and Development</b>	<b>Q3-2020</b>	<b>Q3-2019</b>	<b>Change</b>	<b>YTD-2020</b>	<b>YTD-2019</b>	<b>Change</b>
Building Permit Fees Collected	\$1,729	\$4,879	(64.6%)	\$7,099	\$9,611	(26.1%)
Development Applications Received	29	37	(21.6%)	112	119	(5.9%)
Development Applications Fees	\$183	\$330	(44.5%)	\$598	\$674	(11.3%)
<b>6) Business Licences</b>	<b>Q3-2020</b>	<b>Q3-2019</b>	<b>Change</b>	<b>YTD-2020</b>	<b>YTD-2019</b>	<b>Change</b>
Revenue Received for Current Year Licences	\$788	\$736	7.1%	\$3,769	\$3,864	(2.5%)
Revenue Received for Next Year (Deferred)	\$407	\$430	(5.3%)	\$726	\$797	(8.9%)
Total Licence Revenue	\$1,195	\$1,165	2.6%	\$4,495	\$4,661	(3.6%)
<i>Year to date valid licences and revenue include current year licences issued in the prior year.</i>						
<b>7) Other Revenues</b>	<b>Q3-2020</b>	<b>Q3-2019</b>	<b>Change</b>	<b>YTD-2020</b>	<b>YTD-2019</b>	<b>Change</b>
Parking Program Revenue	\$272	\$556	(51.5%)	\$907	\$1,632	(44.4%)
Gaming Revenue	\$0	\$3,836	(100.0%)	\$2,705	\$11,238	(75.9%)
Traffic Fine Revenue	\$0	\$0	(0.0%)	\$2,508	\$1,926	30.2%
<b>8) Employees</b>	<b>Q3-2020</b>	<b>Q3-2019</b>	<b>Change</b>			
Full Time Equivalent (FTE) Employees (at QE)	1,471	1,585	(7.2%)			
<i>(City and Library)</i>						
<i>FTE includes Regular Full Time, Temporary and Auxiliary status employees. The calculation is based on actual results.</i>						
<b>9) Operating Indicators</b>	<b>Q3-2020</b>	<b>Q3-2019</b>	<b>Change</b>	<b>YTD-2020</b>	<b>YTD-2019</b>	<b>Change</b>
RCMP - Calls for Service Handled	13,456	19,328	(30.4%)	40,015	57,360	(30.2%)
Community Bylaw s	1,282	1,702	(24.7%)	5,056	4,451	13.6%
Public Works calls for Service	3,862	3,865	(0.1%)	10,376	11,046	(6.1%)

**Financial and Key Indicators****September 30, 2020**

(All dollar amounts in \$000's)

**Financial and Key Indicators (continued)**

<b>10) Housing Units Secured Since 2007 (at QE)</b>	<b>Q3-2020</b>	<b>Q3-2019</b>	<b>Change</b>
<u>Affordable Housing</u>			
Non-Market Rental (units)	529	529	0.0%
Affordable Rental (LEMR**) (units)	838	771*	8.7%
ARTS Rental (units)	37	37	0.0%
Entry Level Home Ownership (units)	25	25	0.0%
<u>Market Housing</u>			
Market Rental (units)	925	776*	19.2%
Secondary Suite / Coach House (units)	294	285*	3.2%
<b>Total Housing Units</b>	<b>2,648</b>	<b>2,423*</b>	<b>9.3%</b>

\* Figures have been updated to reflect changes in source data and methodology.

\*\* LEMR units refer to Low End Market Rental units.

\*\*\* The floor space secured refers to square footage negotiated through phased developments. The number remains unchanged, as the development applications for subsequent phases have not come forward at this time with the unit breakdown and mix. LEMR units are still consistently secured through standard rezoning and development applications.

<b>11) Richmond Population Estimate Year End</b>	<b>2020f</b>	<b>2019</b>
	231,690	212,276

Population figures provided by City of Richmond – Policy Planning

**Notes:**

- a) All figures presented above are unaudited
- b) f - forecast to year-end

## Unaudited Statement of Operations<sup>1</sup>

For the Nine Month Period Ended September 30, 2020, with comparative figures for 2019.

(Expressed in thousands of dollars)

	Budget September 30 2020	Actuals September 30 2020	Actuals <sup>4</sup> September 30 2019
<b>Revenue:</b>			
Taxes and levies	\$179,518	\$180,568	\$172,885
Utility fees	86,545	88,519	82,850
Sales of services	25,796	18,671	24,738
Payments-in-lieu of taxes	9,894	6,799	13,321
Provincial and federal grants	6,101	4,377	6,258
Development cost charges	22,263	10,901	11,909
Other capital funding sources	49,705	45,009	17,221
Other revenue:			
Investment income	13,922	13,164	16,271
Gaming revenue	10,875	2,705	11,238
Licences and permits	10,851	10,469	12,255
Other	4,308	16,514	44,218
Equity income	-	1,232	995
	<b>419,778</b>	<b>398,928</b>	<b>414,119</b>
<b>Expenses:</b>			
Community safety	88,529	80,162	76,135
Utilities: water, sewer and sanitation	79,441	76,595	71,204
Engineering, public works and project development	58,843	49,799	49,261
Community services	53,732	35,609	45,287
General government	48,096	39,364	42,441
Planning and development	18,126	12,904	13,693
Library services	8,263	6,869	7,864
	<b>355,030</b>	<b>304,302</b>	<b>305,885</b>
YTD Surplus (Annual Surplus) <sup>2</sup>	64,748	94,626	108,234
Accumulated surplus, beginning of year	3,215,461	3,215,461	3,119,119
Accumulated surplus, end of September 30 <sup>3</sup>	\$3,280,209	\$3,310,087	\$3,227,353

<sup>1</sup> Statement of Operations for City and Library after intercompany eliminations, includes investment in Lulu Island Energy Company but excludes Oval results.

<sup>2</sup> Annual Surplus is the difference between revenues and expenses and reflects the change in the accumulated surplus on the Statement of Financial Position. Annual Surplus is prior to transfer to reserves and surplus appropriations. The revenues include capital contributions, development cost charges and other items that impact the investment in tangible capital assets within the accumulated surplus. The expenses include amortization which impacts the investment in tangible capital assets in accumulated surplus.

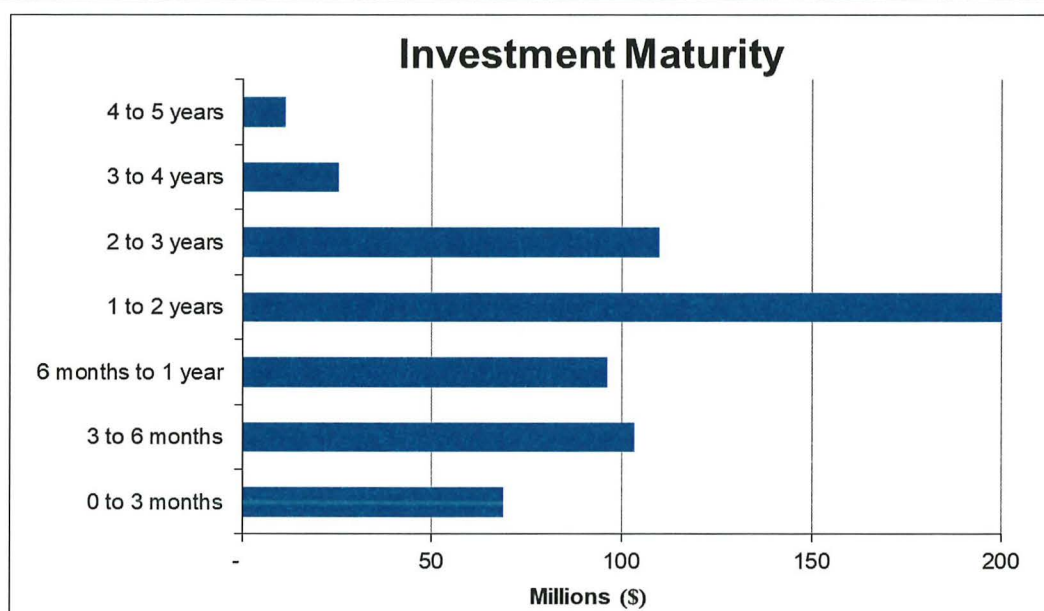
<sup>3</sup> Accumulated surplus is equivalent to the net worth of an organization and is comprised of investment in tangible capital assets, reserves, appropriated surplus, general surplus and other equity.

<sup>4</sup> Statement of Operation figures for 2019 were adjusted for comparative purposes.

## Cash and Investment Portfolio

September 30, 2020 (in 000's)

Asset Class	DBRS Long Term Rating	Issuer	Term	Net Book Value	% of Total Portfolio	Investment Limit (% of Portfolio)
<b>Provincial</b>						
	AA (low)	Alberta	2022-2023	\$ 50,259	7.86%	
	A (high)	Manitoba	2021-2023	35,468	5.55%	
	AA (low)	Quebec	2022-2023	31,893	4.99%	
	AA (high)	British Columbia	2021-2024	28,690	4.49%	
	AA (low)	Ontario	2022-2024	22,503	3.52%	
	A (high)	Nova Scotia	2021	20,471	3.20%	
	A (high)	New Brunswick	2021	15,289	2.39%	
		<b>Total</b>		<b>\$ 204,573</b>	<b>32.01%</b>	<b>50%</b>
<b>Chartered Banks</b>						
	AA	Bank of Nova Scotia	2020-2022	\$ 90,174	14.11%	
	AA	Bank of Montreal	2020-2022	74,973	11.73%	
	AA (High)	TD Bank	2021-2023	41,089	6.43%	
	AA (High)	Royal Bank	2020-2023	40,008	6.26%	
	A (high)	HSBC Bank of Canada	2021-2023	32,025	5.01%	
	A (low)	Canadian Western Bank	2021	24,635	3.85%	
	AA (low)	National Bank of Canada	2021	15,002	2.35%	
	AA	CIBC	2020-2022	5,005	0.78%	
		<b>Total</b>		<b>\$ 322,911</b>	<b>50.53%</b>	<b>50%</b>
<b>BC Credit Unions</b>						
	BC	Vancity	2020-2021	\$ 48,598	7.60%	
	BC	Gulf and Fraser	2020-2021	29,014	4.54%	
	Federal	Coast Capital Savings	2021	24,000	3.76%	
	BC	Westminster Savings	2021	10,000	1.56%	
		<b>Total</b>		<b>\$ 111,612</b>	<b>17.46%</b>	<b>30%</b>
<b>Total Investment Portfolio Balance</b>				<b>\$ 639,096</b>	<b>100.00%</b>	
<b>Cash Balance</b> (includes high interest saving products with terms less than 90 days)				<b>\$ 717,110</b>		
<b>Total Cash and Investment Balance</b>				<b>\$ 1,356,206</b>		



**Contract Awards greater than \$75,000**July 1<sup>st</sup> to September 30<sup>th</sup>, 2020

Item	Description	Awarded Vendor	Awarded Amount	Division
1	Supply and Delivery of One (1) Tier 4 (Four) Front End Loader	Finning (Canada)	304,866	Engineering & Public Works
2	Supply and Delivery of One (1) Street Flusher Body on a City Provided Cab and Chassis	Vimar Equipment Ltd.	228,420	Engineering & Public Works
3	Supply and Delivery of Stainless Steel Fasteners	Pacific Fasteners Ltd.	185,000	Engineering & Public Works
4	Supply and Delivery of Network Equipment	Telus Communications Inc.	1,659,552	Finance & Corporate Services
5	Watermania - Supply of Ultraviolet (UV) System	DB Perks & Associates	81,160	Engineering & Public Works
6	Water Meters and Water Meter Heads	Fred Surridge Ltd.	306,603	Engineering & Public Works
7	South Arm Community Centre Improvement Works 2020	Boston Construction Corporation	683,120	Engineering & Public Works
8	Watermania Bleacher Replacement	Royal Stewart Ltd.	94,602	Engineering & Public Works
9	Supply and Delivery of New and Replacement Trees	East Richmond Nurseries Inc.	150,000	Community Services
10	Supply and Delivery of HazMat Detection Equipment – Raman Spectrometer	Concept Controls Inc.	76,341	Community Safety
11	Richmond Olympic Oval - Base Building Improvements	Omicron Canada Inc.	363,773	Engineering & Public Works
12	Tempest Annual Support Renewal	Central Square Software Canada Inc.	103,962	Finance & Corporate Services
13	Additional Cleaning Services at City Facilities	Nutech Facility Services Ltd.	414,000	Engineering & Public Works
14	Watermania - Construction of UV Systems and Piping Upgrades	Modern Niagara Vancouver Inc.	184,413	Engineering & Public Works
15	Paving Program 2020	All Roads Construction Ltd.	3,844,448	Engineering & Public Works
16	Multi-Family Water Meter Installation: 22711 – 22771 Norton Court	Ashton Mechanical Ltd.	109,274	Engineering & Public Works
17	Works Yards Salt Shed Repair	Solid General Contractors Inc.	104,130	Engineering & Public Works

**Contract Awards greater than \$75,000 (continued)**July 1<sup>st</sup> to September 30<sup>th</sup>, 2020

Item	Description	Awarded Vendor	Awarded Amount	Division
18	2020 Peterbilt Model 567 Day-Cab Vacuum Truck Chassis	Peterbilt Pacific Inc.	191,026	Engineering & Public Works
19	Supply and Delivery of One (1) Water Treatment Trailer	BI Pure Water Inc.	180,045	Engineering & Public Works
20	Supply and Delivery of Municipal Castings	Westview Sales Ltd.	1,038,463	Engineering & Public Works
21	Heather Street Improvements	Hexcel Construction Ltd.	1,532,963	Engineering & Public Works
22	Minoru Arenas Infrastructure Replacement - Design Services	ThinkSpace Architecture Planning Interior Design	217,500	Engineering & Public Works
23	Supply of Hydrovac Services (3 years)	McRae's Environmental Services Ltd.	7,277,841	Engineering & Public Works
24	Supply and Delivery of Fertilizer, Seed and Lime	Nutrien AG Solutions (Canada) Inc.	395,268	Community Services
25	Asphalt Paving - 7000 Block No. 5 Road	LaFarge Canada Inc.	333,420	Engineering & Public Works
26	Supply and Delivery of Two Hybrid Crew Pickup Trucks	Metro Motors Ltd.	80,850	Engineering & Public Works
27	Gateway Theatre Upper Level Concession Bar Upgrade	MA-EngTech Construction Inc.	88,622	Engineering & Public Works
28	TIBCO Software Maintenance and Support Renewal	Tibco Software (Ireland) Ltd.	341,070	Finance & Corporate Services
29	Richmond Library & Cultural Centre Mechanical Upgrade	Davidson Brothers Mechanical Contractors Ltd.	2,593,933	Engineering & Public Works
<b>Total contracts awarded greater than \$75,000</b>			<b>\$23,164,665</b>	